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SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
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URBAN A. LESTER

June 10, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease, dated as of January 22, 2004, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	Compass Rail V Corporation 750 Battery Street Suite 430 San Francisco, California 94111
Lessee:	Union Pacific Railroad Company 1416 Dodge Street Omaha, Nebraska 68179

Mr. Vernon A. Williams  
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A description of the railroad equipment covered by the enclosed document is:

103 boxcars: NOKL 533350 - NOKL 533452 (formerly within the series BAR 4600 – BAR 4690 and MEC 35001 - MEC 34195 as more particularly set forth in the equipment schedule attached to the document).

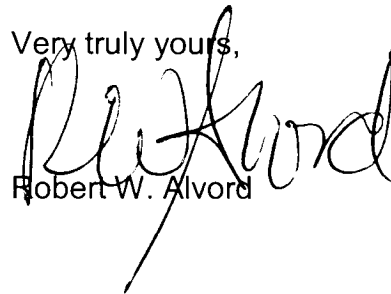
A short summary of the document to appear in the index is:

Memorandum of Lease.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. W. Alvord", written over the typed name.

Robert W. Alvord

RWA/anm  
Enclosures

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MEMORANDUM OF LEASE

As of January 22, 2004

THIS MEMORANDUM OF LEASE is intended to evidence the Railcar Lease Agreement dated as of January 22, 2004 (the "Lease") by and between Compass Rail V Corporation, with offices at 750 Battery Street, Suite 430, San Francisco, CA 94111 ("Lessor") and The Union Pacific Railroad Company, with offices at 1416 Dodge Street, Omaha, NE 68179 ("Lessee"). This Memorandum of Lease is entered into for the purpose of satisfying the requirements of recordation with the United States Department of Transportation Surface Transportation Board ("STB") under 49 U.S.C. Section 11301 and with the Registrar General of Canada under applicable law.

Pursuant to the Lease, the Lessor has leased to the Lessee the Railcars specified on Schedule 1 attached hereto.

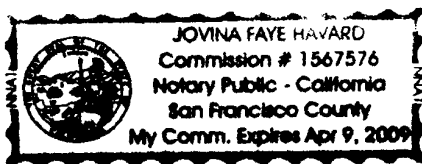
IN WITNESS WHEREOF, Lessor has caused this Memorandum to be executed all as of the date first above written, and the undersigned hereby declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below his signature.

LESSOR:

Compass Rail V Corporation

By: Ben J. AssafTitle: E.V.P.Dated: 6-9-05State of California )  
County of San Francisco )

On this 7 day of June, 2005, before me personally appeared Ben J. Assaf, to me personally known, who being by me duly sworn says that such person is Executive Vice President of Compass Rail V Corporation, that the foregoing Memorandum of Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jovina Faye Havard  
Notary PublicMy commission expires 4/9/09

### Union Pacific - 103 Boxcars

AAR Car Type Code A 302, 50', 70 ton, rigid, Plate C, boxcars  
equipped with 10' sliding doors, and 50K nailable steel floors

Car No.	Old Car Marks		New Car Marks	
1	BAR	4600	NOKL	533350
2	BAR	4601	NOKL	533351
3	BAR	4603	NOKL	533352
4	BAR	4610	NOKL	533353
5	BAR	4611	NOKL	533354
6	BAR	4612	NOKL	533355
7	BAR	4613	NOKL	533356
8	BAR	4615	NOKL	533357
9	BAR	4616	NOKL	533358
10	BAR	4619	NOKL	533359
11	BAR	4620	NOKL	533360
12	BAR	4622	NOKL	533361
13	BAR	4623	NOKL	533362
14	BAR	4624	NOKL	533363
15	BAR	4625	NOKL	533364
16	BAR	4626	NOKL	533365
17	BAR	4627	NOKL	533366
18	BAR	4629	NOKL	533367
19	BAR	4630	NOKL	533368
20	BAR	4631	NOKL	533369
21	BAR	4632	NOKL	533370
22	BAR	4633	NOKL	533371
23	BAR	4634	NOKL	533372
24	BAR	4637	NOKL	533373
25	BAR	4638	NOKL	533374
26	BAR	4658	NOKL	533375
27	BAR	4666	NOKL	533376
28	BAR	4667	NOKL	533377
29	BAR	4668	NOKL	533378
30	BAR	4670	NOKL	533379
31	BAR	4673	NOKL	533380
32	BAR	4675	NOKL	533381
33	BAR	4676	NOKL	533382
34	BAR	4678	NOKL	533383
35	BAR	4679	NOKL	533384
36	BAR	4681	NOKL	533385
37	BAR	4682	NOKL	533386
38	BAR	4683	NOKL	533387
39	BAR	4685	NOKL	533388
40	BAR	4687	NOKL	533389
41	BAR	4688	NOKL	533390
42	BAR	4689	NOKL	533391
43	BAR	4690	NOKL	533392
44	MEC	35003	NOKL	533393
45	MEC	35006	NOKL	533394
46	MEC	35029	NOKL	533395
47	MEC	35042	NOKL	533396
48	MEC	35052	NOKL	533397
49	MEC	35064	NOKL	533398
50	MEC	35075	NOKL	533399
51	MEC	35077	NOKL	533400

52	MEC	35085	NOKL	533401
53	MEC	35092	NOKL	533402
54	MEC	35094	NOKL	533403
55	MEC	35102	NOKL	533404
56	MEC	35107	NOKL	533405
57	MEC	35124	NOKL	533406
58	MEC	35129	NOKL	533407
59	MEC	35141	NOKL	533408
60	MEC	35144	NOKL	533409
61	MEC	35149	NOKL	533410
62	MEC	35157	NOKL	533411
63	MEC	35168	NOKL	533412
64	MEC	35175	NOKL	533413
65	MEC	35176	NOKL	533414
66	MEC	35187	NOKL	533415
67	MEC	35188	NOKL	533416
68	MEC	35194	NOKL	533417
69	MEC	35001	NOKL	533418
70	MEC	35026	NOKL	533419
71	MEC	35062	NOKL	533420
72	MEC	35088	NOKL	533421
73	MEC	35156	NOKL	533422
74	MEC	35004	NOKL	533423
75	MEC	35030	NOKL	533424
76	MEC	35067	NOKL	533425
77	MEC	35089	NOKL	533426
78	MEC	35158	NOKL	533427
79	MEC	35005	NOKL	533428
80	MEC	35050	NOKL	533429
81	MEC	35068	NOKL	533430
82	MEC	35098	NOKL	533431
83	MEC	35161	NOKL	533432
84	MEC	35008	NOKL	533433
85	MEC	35053	NOKL	533434
86	MEC	35079	NOKL	533435
87	MEC	35119	NOKL	533436
88	MEC	35174	NOKL	533437
89	MEC	35011	NOKL	533438
90	MEC	35054	NOKL	533439
91	MEC	35080	NOKL	533440
92	MEC	35130	NOKL	533441
93	MEC	35177	NOKL	533442
94	MEC	35017	NOKL	533443
95	MEC	35055	NOKL	533444
96	MEC	35084	NOKL	533445
97	MEC	35152	NOKL	533446
98	MEC	35179	NOKL	533447
99	MEC	35021	NOKL	533448
100	MEC	35058	NOKL	533449
101	MEC	35086	NOKL	533450
102	MEC	35154	NOKL	533451
103	MEC	35195	NOKL	533452